

STATE OF SOUTH CAROLINA

Petition of the Office of Regulatory Staff to Establish
Dockets to Consider Implementing the Requirements of
Section 1251 (Net Metering and Additional Standards) of
the Energy Policy Act of 2005

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2005 - 385 - E

(Please type or print)

Submitted by: K. Chad BurgessSC Bar Number: 69456Address: SCANA Corp.Telephone: 803-217-81411426 Main Street MC 130Fax: 803-217-7931Columbia, SC 29201

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DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



March 11, 2008

K. Chad Burgess
Senior Counsel

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VIA ELECTRONIC MAIL

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Petition of the Office of Regulatory Staff to Establish Dockets to Consider
Implementing the Requirements of Section 1251 (Net Metering and Additional
Standards) of the Energy Policy Act of 2005
Docket No. 2005-385-E

Dear Mr. Terreni:

By Order No. 2007-618, dated August 30, 2007, the Public Service Commission of South Carolina ("Commission") directed South Carolina Electric & Gas Company ("SCE&G" or "Company") to file a tariff that would allow its customers the opportunity to engage in net metering and for those customers wishing to take advantage of net metering to have a choice between a "flat rate" or "time-of-use with demand component" tariff. In compliance with Order No. 2007-618 and by letter dated November 28, 2007, SCE&G filed its net metering tariffs entitled "Rider to Time-of-Use Demand Rates 7 and 28 (Experimental), Net Metering for Renewable Energy Facilities" and "Rider to Rate PR-1 (Experimental), Net Metering for Renewable Energy Facilities" (collectively referred to as the "Net Metering Tariff Sheets"). By Commission Directive dated March 5, 2008, the Commission instructed SCE&G, among others, to file explanations of the Net Metering Tariff Sheets. In compliance with the Commission Directive, SCE&G hereby submits this explanation of its two (2) net metering options.¹

Net Metering Option No. 1.

The Company's first net metering option is called Rider to Time-of-Use Demand Rates 7 and 28 (Experimental), Net Metering for Renewable Energy Facilities ("TOU Net Metering"). Under TOU Net Metering, the rates that SCE&G charges to the customer for electricity consumed and the credits provided to the customer for renewable electricity generated by the customer's system are one and the same. This is accomplished under SCE&G's time-of-use demand service offerings (*i.e.*, Rate 7 and Rate 28). The Company's costs to generate electricity vary by hour throughout the day, therefore by using time-of-use pricing, SCE&G is able to place

¹ This letter is a summary of SCE&G's net metering options and therefore, does not address in detail every aspect of the Net Metering Tariff Sheets.

(Continued . . .)

a value on electricity generated during on-peak and off-peak time periods. If a customer consumes electricity during on-peak hours, then the customer is charged the on-peak price for electricity. If a customer consumes electricity during off-peak hours, then the customer is charged the off-peak price for electricity. These charges are referred to as the “Energy Charge.”

Likewise, if a customer generates excess electricity during on-peak hours, then SCE&G issues the customer a credit for the excess electricity generated at the on-peak price. If a customer generates excess electricity during off-peak hours, then SCE&G issues the customer a credit for the excess electricity generated at the off-peak price. In addition to receiving a credit for excess generation, TOU Net Metering presents the customer with another opportunity to recognize savings by allowing the customer to offset their own energy and demand requirements with their own renewable generation.

A. TOU Net Metering Charges.

1. Rate 7

In addition to the Energy Charge, a TOU net metering customer is also charged a basic facilities charge and a demand charge that applies during on-peak hours when the cost to produce electricity is the greatest. Below is a table illustrating the charges a net metering customer under Rate 7, Residential Time-of-Use Demand can expect to see on their monthly bill.

Rate 7, Residential Time-of-Use Demand			
Type of Charge	Amount (all months)	June - September	October - May
Basic Facilities Charge	\$12.00	n/a	n/a
On-Peak Demand Charge	n/a	\$10.25 per KW	\$6.44 per KW
On-Peak Energy Charge	\$0.06597 per Kwhr	n/a	n/a
Off-Peak Energy Charge	\$0.05074 per Kwhr	n/a	n/a

2. Rate 28

SCE&G’s Rate 28, Small General Service Time-of-Use Demand operates in a similar manner to Rate 7. Below is a table illustrating the charges a net metering customer under Rate 28 can expect see on their monthly bill.

Rate 28, Small General Service Time-of-Use Demand			
Type of Charge	Amount (all months)	June - September	October - May
Basic Facilities Charge	\$20.15	n/a	n/a
On-Peak Demand Charge	n/a	\$16.37 per KW	\$10.23 per KW
Off-Peak Demand Charge	\$1.64 per KW	n/a	n/a
On-Peak Energy Charge	\$0.05288 per Kwhr	n/a	n/a
Off-Peak Energy Charge	\$0.04068 per Kwhr	n/a	n/a

B. TOU Net Metering Credits² and Potential Savings.³

1. Rate 7

With regard to excess generation produced by a TOU net metering customer, the Company will issue the customer a credit that corresponds to the time-of-day the energy was produced. Below is a table illustrating the credit a net metering customer under Rate 7 may see on their monthly bill.

Rate 7, Residential Time-of-Use Demand	
Type of Credit	Amount
On-Peak Energy Credit	\$0.06597 per Kwhr
Off-Peak Energy Credit	\$0.05074 per Kwhr

Moreover, for every KW of demand that the customer generates on their side of the meter at the time of the customer's peak that customer can save \$10.25 per KW in the summer months (June – September) and \$6.44 per KW during the non-summer months (October – May). Also, for every KW that the customer either shifts from the on-peak to an off-peak period or sheds from on-peak entirely, that customer will save \$10.25 per KW in the summertime and \$6.44 per KW in the non-summer months.

In addition, for every KWH that the customer's system generates during an on-peak hour, the customer will save \$0.06597 per KWH and for every KWH generated during an off-peak hour, the customer will save \$0.05074. Further, for every on-peak KWH that the customer sheds, the customer will save \$0.06597 per KWH and for every off-peak KWH the customer sheds, the customer will save \$0.05074.

2. Rate 28.

With regard to excess generation produced by a net metering customer on Rate 28, the Company will issue the customer a credit that corresponds to the time-of-day the energy was produced. Below is a table illustrating the credits a net metering customer under Rate 28 can expect to see on their monthly bill.

² If the net energy component is a credit, then the credit will be carried forward and applied to the following month in the proper time period. Accumulated energy credits, if any, will reset to zero on June 1 each year.

³ SCE&G sets forth the potential savings a customer who subscribes to the Net Metering Tariff Sheets may realize. Savings, however, are based upon customer usage. Customer usage is controlled by the customer and not the Company. Therefore, SCE&G does not guarantee that by simply participating in TOU Net Metering or Flat Rate Net Metering a customer will realize the savings described herein.

Rate 28, Small General Service Time-of-Use Demand	
Type of Credit	Amount
On-Peak Energy Credit	\$0.05288 per Kwhr
Off-Peak Energy Credit	\$0.04068 per Kwhr

Similar to the Rate 7 customer, for every KW of demand that the Rate 28 customer reduces at the time of the customer's peak, they will save \$16.37 per KW during the months of June – September and \$10.23 per KW during the months of October – May. During off-peak periods, for every KW that the customer reduces their demand under Rate 28 they will save \$1.64 per KW.

In addition, for every KWH that the customer's system generates during an on-peak hour, the customer will save \$0.05288 per KWH and for every KWH generated during an off-peak hour, the customer will save \$0.04068. Moreover, for every on-peak KWH the customer sheds, the customer will save \$0.05288 per KWH and for every off-peak KWH the customer sheds, the customer will save \$0.04068.

Net Metering Option No. 2.

The second net metering option is called Rider to Rate PR-1 (Experimental), Net Metering for Renewable Energy Facilities ("Flat Rate Net Metering"). Similar to TOU Net Metering, Flat Rate Net Metering ties both the rates that SCE&G charges to customers for electricity consumed under any qualifying rate schedule and the rates SCE&G credits to customers for electricity generated by the customer under Rate PR-1. In other words, a customer can choose to pay for energy consumed under a time-of-use offering as described in Net Metering Option 1 above, or the customer can choose a service offering that has a rate that does not vary based on the time-of-day, such as Rate 8, standard residential service. Under Flat Rate Net Metering any generation that reduces the customer's normal purchases from SCE&G is effectively credited at the retail energy rate from the selected rate schedule. The credit SCE&G issues to its customer for any excess generation beyond what the customer consumes is based on the actual energy cost SCE&G avoids by purchasing the customer's electricity. SCE&G's avoided cost is set forth in its service offering under Rate PR-1.

A. Flat Rate Net Metering Charges.

Under Flat Rate Net Metering a customer is charged the normal customary charges under the rate schedule selected along with the normal customary charges under rate schedule PR-1. For example, a customer who chooses SCE&G's standard residential rate (Rate 8) will be charged a basic facilities charge as well as an energy charge. In addition, the customer will be charged a seller charge under rate schedule PR-1. Below is a table illustrating the charges a Flat Rate Net Metering customer who has chosen service under Rate 8 can expect to see on their monthly bill.

Rate 8			
Type of Charge	Amount (all months)	June - September	October - May
Basic Facilities Charge	\$8.00	n/a	n/a
Energy Charge (First 800 Kwhrs)	n/a	\$0.09841 per Kwhr	\$0.09841 per Kwhr
Energy Charge (Excess over 800 Kwhrs)	n/a	\$0.10825 per Kwhr	\$0.09447 per Kwhr

Rate PR-1	
Type of Charge	Amount (all months)
Seller Charge	\$13.00

B. Flat Rate Net Metering Credits and Potential Savings.

With regard to excess generation produced by a net metering customer, the Company will issue the customer a credit that corresponds to the amount of energy produced. Below is a table illustrating the credits a net metering customer under Rate 8 can expect to see on their monthly bill.

Rate PR-1		
Type of Credit	June - September	October - May
On-Peak Energy Credit	\$0.02205 per Kwh	\$0.002011 per Kwh
Off-Peak Energy Credit	\$0.01551 per Kwh	\$0.01638 per Kwh

Additionally, for every KWH that the customer generates on his side of the meter which displaces power needed from the Company, the customer, taking service under Rate 8, can save up to \$0.10825 per KWH.

By copy of this letter, SCE&G is providing an explanation of its Net Metering Tariff Sheets to the South Carolina Office of Regulatory Staff as well as all other parties of record and enclose a certificate of service to that effect.

If you have any questions or additional information is needed, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms
Enclosures

cc: all parties of record

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-386-E

IN RE:

Petition of the Office of Regulatory Staff)
To Establish Dockets to Consider)
Implementing the Requirements of Section)
1251 (Net Metering and Additional)
Standards) of the Energy Policy)
Act of 2005)
_____)

**CERTIFICATE
OF SERVICE**

_____ This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Tariff Letter** via U.S. mail to the persons named below at the address set forth:

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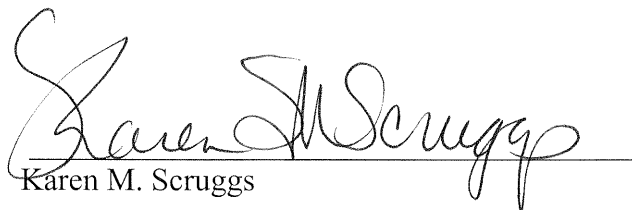
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Karen M. Scruggs

Columbia, South Carolina
This 11th day of March 2008